UNITED STATES
DEPARTMENT OF STATE

USAID
FROM THE AMERICAN PEOPLE

PANAMA

U.S. FOREIGN ASSISTANCE PERFORMANCE PUBLICATION
Fiscal Year 2009

FY 2009 FOREIGN ASSISTANCE GOALS

The United States strives to continue to be Panama's principal partner, and shares a common interest in improving citizen security, strengthening democratic and governance institutions, enhancing educational opportunities for all Panamanians, and supporting sustainable economic growth. These shared interests are best served by a stable, secure, democratic, prosperous Panama that can be an effective partner in tackling the challenges of the region and beyond, and the United States will continue to work with Panama toward that goal.

In FY 2009, Panama held peaceful elections followed by a peaceful transition to a new government. In the midst of a global financial crisis, Panama managed to turn in modest economic growth and even a slight reduction in poverty, as unemployment rates held at near historic low levels. At the same time, however, narcotics trafficking increased dramatically, which sparked a commensurate uptick in violent crime. Insecurity emerged as a number-one concern of Panamanians.

In response, United States Government (USG) foreign assistance to Panama has focused on security, democracy and governance, and economic growth in vulnerable areas. In the area of security, USG assistance is focused on building the capacity of Panama's security forces to meet the challenges of organized crime and rising violence. In the democracy sector, the United States is helping to prepare the judicial sector effectively implement a new Criminal Code and Criminal Procedures Code in 2011. In the area of economic growth, USG assistance continues to focus on sustainable resource management of the critical Panama Canal Watershed region, and has started building the capacity of indigenous people and youth in the Darién province to manage forest resources in a sustainable manner.

HIGHLIGHTS BY PROGRAM OBJECTIVE

Peace and Security

The United States and Panama worked closely together to address counternarcotics and counterterrorism challenges, as well as the burgeoning security problem that, if not effectively addressed, may pose a threat to democratic institutions and economic prosperity. Polling shows that

security has emerged in the past year as the top concern of the Panamanian people. The USG is committed to assisting Panama in stemming the growing tide of crime and violence. In FY 2009, USG assistance:

- Significantly contributed to the seizure of 43 metric tons of cocaine
- Provided training, equipment, and operational support to security units operating on land and water. This training and support directly and positively impacted Panama's law-enforcement agencies' ability to interdict narcotics.
- Provided training in the concepts of community-based policing to the senior leadership of the Panamanian National Police. The Government of Panama (GOP) developed a training model based upon this program, which is now part of Panama's police training course curriculum.
- Trained and provided logistical support to the Panamanian Frontier Police

Governing Justly and Democratically

With USG assistance, Panama has made progress in democratic governance since Noriega's fall in 1989, including a series of free and fair elections – most recently the very well-run elections of May 2009. Although a historically weak judiciary laden with cronyism erodes citizen and investor confidence, an emerging civil society, supported by the USG, speaks out in favor of justice system reforms and government accountability and transparency. As the murder rate leaped from 11.1 per 100,000 people in 2006, to an estimated 23.2 per 100,000 people in 2009, and gang membership increased along a similar trajectory, insecurity and crime moved to the top of the list of Panamanian concerns. The eventual shift to an accusatory system and implementation of Justices of the Peace reforms have the potential to make fundamental improvements in Panama's justice system, and a well-designed program to keep youth out of gangs and crime hold considerable promise for turning around the dramatic uptick in crime.

USG FY 2009 assistance achieved the following:

- Partnered with the American Bar Association and with Colombian police experts to begin preparing police, prosecutors, and judges for the accusatory system of law

- Assessed and evaluated the underlying structural conditions leading to crime and violence among at-risk youth, and how the judicial sector can better support the needs of young people. This evaluation is being used as the basis for a program beginning in 2010.

Economic Growth

The Panama Canal Watershed (PCW) contributes to Panama's economic prosperity, and provides environmental services for the global community. The PCW also serves as the primary source of direct or indirect employment for many Panamanians. In FY 2009, USG assistance:

- Established two additional watershed management councils, which develop land use and action plans, promote best practices in key productive sectors, create environmentally sustainable jobs and partnerships, resolve natural resources-based conflicts, and guide and facilitate GOP activities in the region

- Strengthened 113 small, sustainable, and environmentally-friendly businesses in 28 communities with increased income directly benefitting 183 families

- Created 90 market linkages among communities, small businesses, and private sector entities, which will underpin the long-term sustainability of the beneficiaries
- Promoted best agricultural practices at 32 cattle ranches and 30 agricultural farms, with 380 individuals trained in entrepreneurship and business administration and 216 individuals trained in best practices for the preservation of biodiversity